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SUBJECT: MEA KRISHNA HONORS BHUTAN WITH FIRST VISIT ABROAD

¶1. (U) Summary. India's newly-appointed Minister for External Affairs S.M. Krishna visited Bhutan June 18-20, marking his first trip abroad after assuming power. Krishna met with the current and former kings, Prime Minister Jigmi Thinley, and other officials to reaffirm the close relationship between the world's youngest and largest democracies. According to the Bhutanese Embassy in New Delhi, collaboration on hydropower projects topped the agenda, but Krishna underscored the importance of expanding bilateral ties beyond energy cooperation. He made good on this promise by signing a memorandum of understanding allocating USD one million for a Nehru-Wangchuk scholarship program for Bhutanese students to study in India. While the Political Counselor Tenzin Rondel Wangchuck characterized the trip as a "routine goodwill visit," he noted the Foreign Minister's decision to make Bhutan his first official destination "speaks volumes." On June 30, Bhutanese Prime Minister Thinley will return the favor when he visits India as the first head of state after the newly reelected UPA government took office. End Summary.

¶2. (U) S.M. Krishna, along with Foreign Secretary Shivshankar Menon, made his maiden voyage as External Affairs Minister to Bhutan June 18-20. The Royal Government of Bhutan (RGOB) greeted the delegation with appropriate pomp, which confirmed that India remains its closest and most trusted ally. During a luncheon meeting with 29-year-old King of Bhutan, Jigme Khesar Namgyel Wangchuk, Krishna referred to Bhutan as "the kingdom of happiness" and reiterated India's continued support for development in the tiny Himalayan nation. India has already donated approximately USD 285 million to Bhutan's Tenth Five-Year Plan (2008-2013), which broadly outlined the country's social and economic development strategy. Krishna reconfirmed India's commitment to providing resources to establish a hospital on par with the All India Institute of Medical Services in New Delhi.

¶3. (U) The Bhutanese Embassy confirmed there was no change in the target for exportable energy to India, which was set at 10,000 megawatts by 2020 during a visit of Prime Minister Singh in 2008. Political Counselor Wangchuck admitted the target was already "too ambitious," but emphasized both governments are working "vigorously" to ensure the deadline is met. Media outlets reported that Thimphu plans to increase its involvement in future power projects: the Indian government pledged to contribute 60 percent of the funds and Bhutan will cover the rest.

¶4. (U) Krishna and his counterpart, Foreign Minister Lyonpo Ugyen Tshering, signed a memorandum of understanding for the Nehru-Wangchuk scholarship program. The program was already incorporated into the Tenth Five Year Plan and allocated USD one million to enable Bhutanese students to study in Indian universities at the graduate and postgraduate level. Krishna commented the program recalls "the indelible legacy of Jawaharlal Nehru and the legendary role of the Wangchuk dynasty."

¶5. (SBU) During a joint press conference on June 20, an Indian journalist asked Bhutanese Foreign Minister Tshering if the United Liberation Front of Assam (ULFA) was camped

within the borders of Bhutan, generating headlines in both countries. Indian media had reported a possible reemergence of the separatist group along Bhutan's border with the northeastern Indian state of Assam. India and Bhutan had successfully conducted joint operations in 2003 to destroy ULFA camps on the Bhutan side of the border. Tshering responded, "we don't have any ULFA cadets here and our own knowledge of our country has not indicated that there's a presence here." Indian Foreign Secretary Menon confirmed that the Indian government is "fully satisfied" with the RGOB's assurances. The Bhutanese Political Counselor dismissed the "sensational" Indian journalist who posed the question, remarking "I'm sure that guy was from the Northeast."

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